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CNBM

China National Building Material Company Limited*

中 國 建 材 股 份 有 限 公 司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3323)

Overseas Regulatory Announcement

This announcement is the 2009 third quarterly report of Beijing New Building Material Company Limited (the “Company” or “BNBM”). This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

BNBM, a company listed on the Shenzhen Stock Exchange and incorporated in accordance with the laws of the People's Republic of China, is a subsidiary 52.4% owned by China National Building Material Company Limited (“CNBM”). This announcement of BNBM and related information in Chinese were published on the website of the Shenzhen Stock Exchange to disclose to the public of the PRC on 26 October 2009 in accordance with the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange. The unaudited 2009 third quarterly results of BNBM have been prepared in accordance with the PRC GAAP, the English translation of which is prepared by CNBM for information only.

Beijing, the PRC, 26 October 2009

Beijing New Building Material Company Limited

Full text of 2009 Third Quarterly Report

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “Board”), the supervisory committee, all directors, supervisors and the senior management of the Company warrant that there are no misrepresentation or misleading statements contained in or material omissions from this report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.
- 1.2 The third quarterly financial statements of the Company has not yet been audited by accounting firms.
- 1.3 Mr. Wang Bing (Chairman of the Company), Ms. Yang Yanjun (Chief Accountant) and Ms. Dong Hui (Manager of the Accounting Department) have declared that they are responsible for the truthfulness and completeness of the financial statements in the third quarterly report.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

| | 30 September 2009 | 31 December 2008 | Unit: RMB Increase/ decrease (%) |
|---|----------------------|---------------------|---|
| Total assets (<i>RMB</i>) | 5,837,858,867.61 | 5,006,307,558.46 | 16.61% |
| Equity attributable to the equity holders of the listed company (<i>RMB</i>) | 2,114,375,927.19 | 1,944,366,079.05 | 8.74% |
| Share capital (<i>share</i>) | 575,150,000.00 | 575,150,000.00 | 0.00% |
| Net assets per share attributable to the equity holders of the listed company (<i>RMB/share</i>) | 3.676 | 3.381 | 8.74% |

| | From July to September 2009 | Increase/ decrease from the same period of last year (%) | From January to September 2009 | Increase/ decrease from the same period of last year (%) |
|--|--------------------------------|---|---|---|
| Total operating revenue (<i>RMB</i>) | 1,022,058,407.84 | 62.29% | 2,387,265,421.74 | 36.21% |
| Net profit attributable to the shareholders of the listed company (<i>RMB</i>) | 83,533,187.34 | 246.81% | 200,027,585.66 | 49.58% |
| Net cash flow from operating activities (<i>RMB</i>) | — | — | 174,114,795.41 | 3,948.55% |
| Net cash flow from operating activities per share (<i>RMB/share</i>) | — | — | 0.303 | 3,948.55% |
| Basic earnings per share (<i>RMB/share</i>) | 0.145 | 246.81% | 0.348 | 49.58% |
| Diluted earnings per share (<i>RMB/share</i>) | 0.145 | 246.81% | 0.348 | 49.58% |
| Return on net assets (%) | 3.95% | 2.65% | 9.46% | 2.26% |
| Return on net assets after extraordinary items (%) | 3.82% | 2.56% | 9.18% | 5.83% |

Unit: RMB

| Extraordinary items | Amount from the beginning of the year to the end of the reporting period |
|--|---|
| Gain and loss from disposal of non-current assets, including sterilized portion of provisions for asset impairment | 828,912.58 |
| Government subsidies recognized in current profit and loss | 6,464,238.94 |
| Capital fee received from non-financial institutions recognized in current profit and loss | 1,695,512.50 |
| Gains from investment in financial assets | 139,709.58 |
| Net non-operating income and expenses other than the above items | -1,015,517.14 |
| Effect of tax rate change | -1,599,214.85 |
| Impact of gain and loss from minority interests | -649,949.88 |
| Total | <u><u>5,863,691.73</u></u> |

2.2 Total number of shareholders and particulars of the top 10 holders of shares not subject to trading moratorium at the end of the reporting period

Unit: share

| | |
|---|--------|
| Total number of shareholders as at the end of the reporting period | 40,424 |
|---|--------|

Particulars about the top ten shareholders of circulating shares not subject to trading moratorium

| Name of shareholder (full name) | Number of circulating shares not subject to trading moratorium held as at 30 September 2009 | Class |
|--|---|--------------------------------------|
| China National Building Material Company Limited (中國建材股份有限公司) | 301,370,000 | Renminbi-denominated ordinary shares |
| Industrial and Commercial Bank of China — China International Domestic Demand Motor Stock Investment Fund (中國工商銀行—上投摩根內需動力股票型證券投資基金) | 15,412,899 | Renminbi-denominated ordinary shares |
| China Construction Bank — China AMC Bonus Mixed Open-ended Securities Investment Fund (中國建設銀行—華夏紅利混合型開放式證券投資基金) | 12,869,445 | Renminbi-denominated ordinary shares |
| Jingfu Securities Investment Fund (景福證券投資基金) | 12,693,200 | Renminbi-denominated ordinary shares |
| Bank of China — Dacheng Selective Stock Investment Fund (中國銀行—大成優選股票型證券投資基金) | 10,892,838 | Renminbi-denominated ordinary shares |
| China Everbright Bank — UBS SDIC Innovation Drive Stock Securities Investment Fund (中國光大銀行—國投瑞銀創新動力股票型證券投資基金) | 10,639,103 | Renminbi-denominated ordinary shares |
| Bank of China — Dacheng Wealth Management 2020 Life Cycle Stock Investment Fund (中國銀行—大成財富管理2020生命周期證券投資基金) | 8,756,579 | Renminbi-denominated ordinary shares |

| | | |
|--|-----------|---|
| Agricultural Bank of China — Dacheng Innovation Growth Mixed Securities Investment Fund (LOF) (中國農業銀行—大成創新成長 混合型證券投資基金(LOF)) | 7,446,594 | Renminbi-denominated ordinary shares |
| China Life Insurance (Group) Company — Traditional — Ordinary insurance products (中國人壽保險(集團)公司 —傳統—普通保險產品) | 6,999,923 | Renminbi-denominated ordinary shares |
| Aerospace Science & Technology Finance Co., Ltd. (航天科技財務有限責任公司) | 6,801,516 | Renminbi-denominated ordinary shares |

3. SIGNIFICANT EVENTS

3.1 Situations of and reasons for significant changes in key financial statement items and financial indicators of the Company

Applicable Not applicable

I. Reasons for significant change in items of balance sheet

1. Cash and bank balance increased by RMB144,193,718.50 or 31.32% from the beginning of the year, which was mainly attributable to the increase in fund raised resulting from the expanded business scale of the Company.
2. Accounts receivables increased by RMB218,788,746.44 or 90.34% from the beginning of the year, which was mainly attributable to credit policies implemented by the Company and sales expansion.
3. Prepayments increased by RMB93,270,271.99 or 49.49% from the beginning of the year, which was mainly attributable to the increase in prepayments for materials and equipments of certain subsidiaries of the Company and the increased prepaid land premiums of the parent company.
4. Construction in progress decreased by RMB178,998,092.28 or 31.00% from the beginning of the year, which was mainly attributable to the transfer of construction in progress of certain subsidiaries of the Company to fixed assets.

5. Short-term borrowings increased by RMB716,420,000.00 or 51.72% from the beginning of the year, which was mainly attributable to the increase in borrowings arising from the expanded business scale of the Company.
6. Bills payable increased by RMB80,177,678.64 or 77.47% from the beginning of the year, which was mainly attributable to the increased settlement of raw material procurement of the Company by bank acceptance bills.
7. Payment received in advance increased by RMB12,017,429.76 or 31.01%, which was mainly attributable to increase in advanced payment due to sales expansion of the Company.
8. Staff remuneration payable increased by RMB25,411,358.33 or 72.02% from the beginning of the year, which was mainly attributable to the increase in undistributed performance-based salary of certain subsidiaries of the Company accounted for in the year.
9. Taxes payable increased by RMB2,800,536.93 or 225.15% from the beginning of the year, which was mainly attributable to the increased taxes resulting from sales expansion of the Company.
10. Interests payable decreased by RMB427,454.05 or 38.88% from the beginning of the year, which was mainly attributable to the decrease in long-term borrowings of the parent company.
11. Other payables increased by RMB12,360,775.53 or 34.62% from the beginning of the year, which was mainly attributable to the increase in antecedent money and deposits received by certain subsidiaries of the Company.
12. Non-current liabilities due within one year decreased by RMB295,020,000.00 or 75.83% from the beginning of the year, which was mainly attributable to the repayment of long-term borrowings due within one year by the Company.

II. Reasons for significant change in items of income statement

1. Operating revenue for the reporting period increased by RMB392,268,033.61 or 62.29% from the same period last year, which was mainly attributable to the increase in revenue resulting from sales expansion of the Company.
2. Operating costs for the reporting period increased by RMB208,099,606.07 or 41.60% from the same period last year, which was mainly attributable to the increase in cost as a result of the increase in revenue resulting from sales expansion of the Company.
3. Business tax and surcharges for the reporting period increased by RMB374,337.62 or 37.61% from the same period last year, which was mainly attributable to the increase in tax and surcharges as a result of the increase in operating revenue of the Company.
4. Sales expense for the reporting period increased by RMB34,543,395.78 or 74.01% from the same period last year. This was mainly attributable to the increased salesmen on the back of expanded sales resulting from increased efforts on market expansion; increased labour costs and travel expenses as a result of increased wages; and increased freights and cargo handling fees due to expanded sales, and the increased depreciation, inventories expenses caused by business expansion of the Company.
5. Administrative expenses for the reporting period increased by RMB22,491,244.23 or 61.48% from the same period last year. This was mainly attributable to the increased labour costs due to the increase in staff and wages to cater for the expanded business scale; the increase in office expenses and depreciation expenses; and the increase in tenure tax, land amortization expenses and property tax due to additional lands for new production base and additional properties.
6. Finance cost for the reporting period increased by RMB5,551,788.28 or 41.08% from the same period last year. This was mainly attributable to the increase in borrowings resulting from business expansion of the Company.

7. Asset impairment loss for the reporting period increased by RMB87,128.18 or 100.00% from the same period last year, which was mainly attributable to the decrease in reverse of provision for bad debts.
8. Gains from investment for the reporting period decreased by RMB5,195,289.01 or 134.26% from the same period last year, which was mainly attributable to the decrease in gains of certain companies invested by the Company; and relevant gains from investment decreased as a result of the acquisition of equity interests in certain companies invested by the Company, which became controlled companies of the Company.
9. Non-operating income for the reporting period increased by RMB3,200,068.53 or 243.20% from the same period last year, which was mainly attributable to the increase in profit from disposal of non-current assets in the period.
10. Non-operating expenses for the reporting period increased by RMB1,279,887.68 or 1350.54% from the same period last year, which was mainly attributable to the increase in loss from disposal of non-current assets by certain subsidiaries of the Company in the period.
11. Income tax expense for the reporting period increased by RMB25,507,477.91 or 1479.52% from the same period last year, which was mainly attributable to the increase in profit as a result of sales expansion of the Company.
12. Net profit attributable to the parent company for the reporting period increased by RMB59,446,815.59 or 246.81% from the same period last year, which was mainly attributable to the increase in profitability as a result of the expansion in major business of the Company.

III. Reasons for significant change in items of cash flow statement

1. Net cash flow from operating activities increased by RMB 169,814,120.93 or 3948.55% from the same period last year, which was mainly attributable to the substantial increase in cash received from sales of commodities under the sales expansion of the Company. Furthermore, it was attributable to the decrease in proportion of direct cash payment for commodity purchase as a result of the increased repayment ability of bank acceptance bills for purchase purposes.
2. Net cash flow from investing activities decreased by RMB79,069,015.86 or 33.62% from the same period last year, which was mainly attributable to cash flow incurred by the receipt of cash from disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company, during the same period last year; and the decrease in cash payments of Company for the acquisition of fixed assets, intangible assets and other long term assets.
3. Net cash flow from financing activities increased by RMB277,696,140.99 or 4177.68%, which was mainly attributable to the increased borrowings of the Company as a result of the greater need for capital to finance the business expansion of the Company.

IV. Reasons for significant change in major financial indicators

Basic earnings per share increased by RMB0.103 per share or 246.81% from the same period last year, which was mainly attributable to the increase in profitability as a result of the expansion in major business of the Company.

3.2 Analysis on progress and effect of significant events and the solutions therefor

Applicable Not applicable

3.3 Implementation of undertakings by the Company, its shareholders and de facto controller

Applicable Not applicable

3.4 Warning on any potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material change from the corresponding period of last year and the reason thereof

Applicable Not applicable

3.5 Other discloseable significant events

3.5.1 Particulars of reception of investigations, visits, interviews, etc. during the reporting period

| Time of reception | Place of reception | Method of reception | Visitors | Issues discussed and information provided |
|-------------------------------------|--------------------------------|---------------------|---|---|
| 1 July 2009 to 30 September 2009 | Headquarters of the Company | Tele-conference | Individual investors | Development strategies and production and operation conditions of the Company |
| 3 July 2009 | Headquarters of the Company | Site visit | Assistant to the General Manager and Analysts from CCB Principal, Harvest Fund Equity Investment Department | Development strategies and production and operation conditions of the Company, provide annual reports of the Company and other public information |
| 7 July 2009 | Headquarters of the Company | Site visit | Chief Investment Officer and Chief Strategist of Research and Development Department from Morgan Stanley Huaxin Fund | |

| | | | |
|-------------------|--------------------------------|------------|--|
| 15 July 2009 | Headquarters of the Company | Site visit | Analysts from Mitsubishi UFJ investment (Hong Kong) |
| 29 July 2009 | Headquarters of the Company | Site visit | Research Department of CIFM, Analysts from Essence Securities, Analysts from AXA SPDB Investment Managers, Analysts from Huaan Fund, Analysts from China Post Fund |
| 23 September 2009 | Headquarters of the Company | Site visit | Researchers, analysts and Fund Managers from CITIC Securities, Sinolink (GuoJin) Securities, Dacheng Fund and China AMC, etc |

3.6 Investment in derivatives

Applicable Not applicable

3.6.1 *Particulars of holdings of derivatives at the end of the reporting period*

Applicable Not applicable

4 APPENDICES

4.1 Balance sheet

Prepared by: Beijing New Building Material Company Limited

30 September 2009

Unit: RMB

| Items | As at 30 September 2009 | | As at 1 January 2009 | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Group | Company | Group | Company |
| Current assets: | | | | |
| Cash and bank balance | 604,596,151.96 | 50,284,617.41 | 460,402,433.46 | 47,734,134.03 |
| Balances with clearing companies | | | | |
| Placements with banks and other financial institutions | | | | |
| Held for trading financial assets | | | | |
| Bills receivable | 19,137,193.62 | 17,286,460.62 | 18,609,054.75 | 16,705,283.32 |
| Accounts receivable | 460,967,638.25 | 421,650,722.87 | 242,178,891.81 | 206,653,355.54 |
| Prepayments | 281,721,379.55 | 93,618,773.49 | 188,451,107.56 | 42,985,542.82 |
| Premiums receivable | | | | |
| Reinsurance accounts receivable | | | | |
| Deposits receivable from reinsurance treaty | | | | |
| Interests receivable | | | | |
| Dividends receivable | 188,571.24 | 188,571.24 | | |
| Other receivable | 77,805,848.95 | 572,835,667.13 | 82,065,932.79 | 479,217,350.00 |
| Purchases of resold financial assets | | | | |
| Inventories | 579,032,220.40 | 223,950,350.49 | 524,948,381.68 | 257,983,661.44 |
| Non-current assets due within one year | | | | |
| Other current assets | | | | |
| Total current assets | 2,023,449,003.97 | 1,379,815,163.25 | 1,516,655,802.05 | 1,051,279,327.15 |

Non-current assets:

| | | | | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Loans and advances granted | | | | |
| Available-for-sale financial assets | | | | |
| Held-to-maturity investments | | | | |
| Long-term receivables | | | | |
| Long-term equity investments | 211,699,583.03 | 908,518,545.53 | 250,489,106.48 | 889,604,888.34 |
| Investment properties | | | | |
| Fixed assets | 2,749,106,313.94 | 945,877,641.19 | 2,283,247,602.99 | 979,908,880.30 |
| Construction in progress | 398,387,062.97 | 115,221,907.13 | 577,385,155.25 | 94,731,400.77 |
| Construction materials | | | | |
| Disposals of fixed assets | | | | |
| Biological assets for production | | | | |
| Fuel assets | | | | |
| Intangible assets | 385,736,283.71 | 163,299,338.41 | 308,043,713.23 | 166,590,633.63 |
| Development expenses | | | | |
| Goodwill | 23,546,423.13 | | 23,546,423.13 | |
| Long-term deferred expenditures | 4,175,005.53 | 158,891.10 | 4,490,717.56 | 635,564.40 |
| Deferred income tax assets | 20,326,780.06 | 13,003,458.45 | 18,508,786.23 | 11,688,614.98 |
| Other non-current assets | 21,432,411.27 | | 23,940,251.54 | |
| Total non-current assets | 3,814,409,863.64 | 2,146,079,781.81 | 3,489,651,756.41 | 2,143,159,982.42 |
| Total assets | 5,837,858,867.61 | 3,525,894,945.06 | 5,006,307,558.46 | 3,194,439,309.57 |

Current liabilities:

| | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Short-term borrowings | 2,101,580,000.00 | 1,297,060,000.00 | 1,385,160,000.00 | 682,060,000.00 |
| Borrowings from central bank | | | | |
| Deposit taking and deposit in inter-bank market | | | | |
| Placement from banks and other financial institutions | | | | |
| Held-for-trading financial liabilities | | | | |
| Notes payable | 183,672,490.22 | 153,672,490.22 | 103,494,811.58 | 85,794,811.58 |
| Accounts payable | 303,252,147.15 | 112,084,928.25 | 251,602,919.75 | 80,232,376.92 |
| Payments received in advance | 50,768,062.10 | 19,575,900.30 | 38,750,632.34 | 18,516,316.04 |
| Disposal of repurchased financial assets | | | | |
| Handling charges and commissions payable | | | | |
| Staff remuneration payable | 60,696,170.49 | 26,005,813.25 | 35,284,812.16 | 25,516,218.24 |
| Taxes payable | 1,556,694.14 | -16,233,992.48 | -1,243,842.79 | -15,529,580.16 |
| Interests payable | 671,945.45 | | 1,099,399.50 | 198,024.75 |
| Dividends payable | | | | |
| Other payables | 48,062,469.86 | 156,687,102.31 | 35,701,694.33 | 58,435,704.41 |
| Reinsurance accounts payable | | | | |
| Deposits for insurance contracts | | | | |
| Customer deposits for trading in securities | | | | |
| Customer deposits for underwriting | | | | |
| Non-current liabilities due within one year | 94,020,000.00 | | 389,040,000.00 | 337,000,000.00 |
| Other current liabilities | | | | |
| Total current liabilities | 2,844,279,979.41 | 1,748,852,241.85 | 2,238,890,426.87 | 1,272,223,871.78 |

| | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Non-current liabilities: | | | | |
| Long-term borrowings | 354,980,000.00 | | 390,960,000.00 | 127,000,000.00 |
| Debtentures payable | | | | |
| Long-term payable | 15,058,181.09 | | 19,237,454.05 | |
| Special payable | 6,591,977.04 | 6,591,977.04 | 6,252,607.27 | 6,252,607.27 |
| Accrued liabilities | | | | |
| Deferred income tax liabilities | 18,378,105.46 | 10,629,303.82 | 14,778,786.64 | 10,629,303.82 |
| Other non-current liabilities | 61,929,580.00 | 35,410,000.00 | 59,463,245.00 | 35,410,000.00 |
| Total non-current liabilities | 456,937,843.59 | 52,631,280.86 | 490,692,092.96 | 179,291,911.09 |
| Total liabilities | 3,301,217,823.00 | 1,801,483,522.71 | 2,729,582,519.83 | 1,451,515,782.87 |
| Owners' equity (shareholders' equity): | | | | |
| Paid-up capital (share capital) | 575,150,000.00 | 575,150,000.00 | 575,150,000.00 | 575,150,000.00 |
| Capital reserve | 504,249,946.69 | 488,893,313.47 | 496,882,934.21 | 488,893,313.47 |
| Less: Treasury stock | | | | |
| Special reserve | | | | |
| Surplus reserve | 305,604,290.62 | 251,675,259.40 | 305,604,290.62 | 251,675,259.40 |
| General risk provision | | | | |
| Undistributed profit | 729,371,689.88 | 408,692,849.48 | 566,728,854.22 | 427,204,953.83 |
| Exchange reserve | | | | |
| Total owners' equity attributable to the Company | 2,114,375,927.19 | 1,724,411,422.35 | 1,944,366,079.05 | 1,742,923,526.70 |
| Minority interests | 422,265,117.42 | | 332,358,959.58 | |
| Total owners' equity | 2,536,641,044.61 | 1,724,411,422.35 | 2,276,725,038.63 | 1,742,923,526.70 |
| Total liabilities and owners' equity | 5,837,858,867.61 | 3,525,894,945.06 | 5,006,307,558.46 | 3,194,439,309.57 |

Legal Representative
of the Company:
Wang Bing

Chief Accountant:
Yang Yanjun

Head of the
Accounting Department:
Dong Hui

4.2 Income Statement at the Reporting Period

Prepared by: Beijing New Building Material Company Limited
July — September 2009

Unit: RMB

| Items | July to September 2009 | | July to September 2008 | |
|--|------------------------|----------------|------------------------|----------------|
| | Group | Company | Group | Company |
| I. Total operating revenue | 1,022,058,407.84 | 235,492,067.42 | 629,790,374.23 | 188,606,756.73 |
| Including: Operating revenue | 1,022,058,407.84 | 235,492,067.42 | 629,790,374.23 | 188,606,756.73 |
| Interest Income | | | | |
| Premiums earned | | | | |
| Handling charges and commission income | | | | |
| II. Total operating costs | 869,011,403.16 | 236,731,869.52 | 597,863,903.00 | 186,179,242.90 |
| Including: Operating costs | 708,287,231.72 | 186,135,478.52 | 500,187,625.65 | 151,469,576.00 |
| Interest expenses | | | | |
| Handling charges and commission expenses | | | | |
| Surrender payment | | | | |
| Net expenditure for compensation payments | | | | |
| Net provision for insurance deposits | | | | |
| Policyholder dividend expenses | | | | |
| Reinsurance costs | | | | |
| Business tax and auxiliary charges | 1,369,780.55 | 828,479.91 | 995,442.93 | -41,829.53 |
| Selling expenses | 81,214,780.70 | 24,942,461.31 | 46,671,384.92 | 17,805,180.78 |
| Administrative expenses | 59,074,122.08 | 17,651,602.42 | 36,582,877.85 | 13,925,565.83 |
| Finance costs | 19,065,488.11 | 7,173,847.36 | 13,513,699.83 | 3,020,749.82 |
| Impairment losses on assets | | | -87,128.18 | |

| | | | | | |
|-------------|---|----------------|---------------|---------------|---------------|
| Add: | Gains on fair value changes (loss stated with “-”) | | | | |
| | Investment income (loss stated with “-”) | -1,325,652.60 | -2,515,275.94 | 3,869,636.41 | 9,924,937.45 |
| | Including: Investment income from associates and jointly controlled entities | -1,368,011.49 | -2,515,275.94 | 3,865,726.29 | -365,062.55 |
| | Foreign currency exchange gains (loss stated with “-”) | | | | |
| III. | Operating profit (loss stated with “-”) | 151,721,352.08 | -3,755,078.04 | 35,796,107.64 | 12,352,451.28 |
| Add: | Non-operating income | 4,515,865.24 | 2,401,995.92 | 1,315,796.71 | 433,444.09 |
| Less: | Non-operating expenses | 1,374,656.14 | 32,004.74 | 94,768.46 | 28,675.15 |
| | Including: Loss on disposal of non-current assets | 1,130,625.30 | 10,433.90 | 6,475.15 | 6,475.15 |
| IV. | Total profit (total loss stated with “-”) | 154,862,561.18 | -1,385,086.86 | 37,017,135.89 | 12,757,220.22 |
| Less: | Income tax expenses | 27,231,510.71 | | 1,724,032.80 | |
| V. | Net profit (net loss stated with “-”) | 127,631,050.47 | -1,385,086.86 | 35,293,103.09 | 12,757,220.22 |
| | Net profit attributable to the owners of the Company | 83,533,187.34 | -1,385,086.86 | 24,086,371.75 | 12,757,220.22 |
| | Minority interests | 44,097,863.13 | | 11,206,731.34 | |
| VI. | Earnings per share: | | | | |
| | (1) Basic earnings per share | 0.145 | -0.002 | 0.042 | 0.022 |
| | (2) Diluted earnings per share | 0.145 | -0.002 | 0.042 | 0.022 |

| | | | | |
|---|----------------|---------------|---------------|---------------|
| VII. Other consolidated income | 9,104,355.86 | | 2,827,500.00 | |
| VIII. Total consolidated income | 136,735,406.33 | -1,385,086.86 | 38,120,603.09 | 12,757,220.22 |
| Total consolidated income attributable to the owners of the Company | 89,451,018.65 | -1,385,086.86 | 25,924,246.75 | 12,757,220.22 |
| Total consolidated income attributable to minority interests | 47,284,387.68 | | 12,196,356.34 | |

Legal Representative
of the Company:
Wang Bing

Chief Accountant:
Yang Yanjun

Head of the
Accounting Department:
Dong Hui

4.3 Income Statement from the beginning of the year to the end of the Reporting Period

Prepared by: Beijing New Building Material Company Limited
January — September 2009

Unit: RMB

| Items | January to September 2009 | | January to September 2008 | |
|--|---------------------------|----------------|---------------------------|----------------|
| | Group | Company | Group | Company |
| I. Total operating revenue | 2,387,265,421.74 | 640,840,379.93 | 1,752,614,333.03 | 668,955,438.16 |
| Including: Operating revenue | 2,387,265,421.74 | 640,840,379.93 | 1,752,614,333.03 | 668,955,438.16 |
| Interest Income | | | | |
| Premiums earned | | | | |
| Handling charges and commission income | | | | |

| | | | | | |
|---|----------------|------------------|----------------|------------------|----------------|
| II. Total operating costs | | 2,064,704,969.81 | 622,394,708.89 | 1,662,482,148.02 | 653,859,370.83 |
| Including: Operating costs | | 1,692,394,879.75 | 484,066,039.53 | 1,385,695,639.00 | 528,560,861.82 |
| Interest expenses | | | | | |
| Handling charges and commission expenses | | | | | |
| Surrender payment | | | | | |
| Net expenditure for compensation payments | | | | | |
| Net provision for insurance deposits | | | | | |
| Policyholder dividend expenses | | | | | |
| Reinsurance costs | | | | | |
| Business tax and auxiliary charges | 4,164,012.61 | 2,024,645.93 | 3,541,315.91 | 1,173,648.79 | |
| Selling expenses | 166,415,229.19 | 55,352,721.02 | 117,107,875.70 | 49,919,634.33 | |
| Administrative expenses | 142,430,164.25 | 52,787,008.63 | 99,664,106.64 | 41,505,949.02 | |
| Finance costs | 55,505,100.30 | 19,398,670.70 | 49,576,901.10 | 19,241,167.08 | |
| Impairment losses on assets | 3,795,583.71 | 8,765,623.08 | 6,896,309.67 | 13,458,109.79 | |
| Add: Gains on fair value changes (loss stated with "-") | | | | | |
| Investment income (loss stated with "-") | 4,858,597.30 | -3,636,951.87 | 100,868,756.22 | 150,263,789.61 | |
| Including: Investment income from associates and jointly controlled entities | 4,658,059.28 | -3,897,771.57 | 7,996,240.97 | -603,742.19 | |
| Foreign currency exchange gains (loss stated with "-") | | | | | |
| III. Operating profit (loss stated with "-") | | 327,419,049.23 | 14,808,719.17 | 191,000,941.23 | 165,359,856.94 |
| Add: Non-operating income | | 9,948,495.32 | 2,510,508.14 | 5,934,975.37 | 841,588.10 |
| Less: Non-operating expenses | | 3,670,860.94 | 707,493.43 | 2,147,180.14 | 987,763.58 |
| Including: Loss on disposal of non-current assets | | 1,687,773.94 | 248,777.08 | 505,396.58 | 18,176.58 |

| | | | | |
|--|----------------|---------------|----------------|----------------|
| IV. Total profit (total loss stated with “-”) | 333,696,683.61 | 16,611,733.88 | 194,788,736.46 | 165,213,681.46 |
| Less: Income tax expenses | 42,282,041.54 | -2,260,911.77 | 35,287,462.56 | 28,293,737.38 |
| V. Net profit (net loss stated with “-”) | 291,414,642.07 | 18,872,645.65 | 159,501,273.90 | 136,919,944.08 |
| Net profit attributable to the owners of the Company | 200,027,585.66 | 18,872,645.65 | 133,723,289.53 | 136,919,944.08 |
| Minority interests | 91,387,056.41 | | 25,777,984.37 | |
| VI. Earnings per share: | | | | |
| (1) Basic earnings per share | 0.348 | 0.033 | 0.233 | 0.238 |
| (2) Diluted earnings per share | 0.348 | 0.033 | 0.233 | 0.238 |
| VII. Other consolidated income | 11,251,473.94 | | 2,834,940.75 | 5,373.040 |
| VIII. Total consolidated income | 302,666,116.01 | 18,872,645.65 | 162,336,214.65 | 136,925,317.12 |
| Total consolidated income attributable to the owners of the Company | 207,394,598.14 | 18,872,645.65 | 135,567,881.58 | 136,925,317.12 |
| Total consolidated income attributable to minority interests | 95,271,517.87 | | 26,768,333.07 | |

Legal Representative
of the Company:
Wang Bing

Chief Accountant:
Yang Yanjun

Head of the
Accounting Department:
Dong Hui

4.4 Cash Flow Statements from the beginning of the year to the end of the Reporting Period

Prepared by: Beijing New Building Material Company Limited
January — September 2009

Unit: RMB

| Items | January to September 2009 | | January to September 2008 | |
|--|---------------------------|----------------|---------------------------|----------------|
| | Group | Company | Group | Company |
| I. Cash flow from operating activities: | | | | |
| Cash received from product sales and rendering of services | 2,272,569,972.49 | 667,922,719.22 | 1,869,426,947.57 | 640,454,429.56 |
| Net increase in deposits from customers and placements from banks and other financial institutions | | | | |
| Net increase in borrowings from central bank | | | | |
| Net increase in placements from other financial institutions | | | | |
| Cash received from premiums of original insurance contracts | | | | |
| Net cash received from reinsurance business | | | | |
| Net increase in deposits from policyholders and investments | | | | |
| Net increase in disposal of held-for-trading financial assets | | | | |
| Cash received from interest, handling charges and commissions | | | | |
| Net increase in capital due to banks and other financial institutions | | | | |
| Net increase in repurchases | | | | |
| Refund of tax and levies received | 7,830,256.52 | 5,225,369.42 | 7,295,153.66 | 6,726.01 |
| Cash received relating to other operating activities | 13,491,829.24 | 77,078,896.07 | 85,050,519.12 | 72,930,932.25 |
| Sub-total of cash inflow from operating activities | 2,293,892,058.25 | 750,226,984.71 | 1,961,772,620.35 | 713,392,087.82 |

| | | | | |
|--|------------------|----------------|------------------|----------------|
| Cash paid for purchase of goods and receipt of services | 1,654,716,188.32 | 463,007,699.61 | 1,539,515,026.00 | 589,822,706.36 |
| Net increase in loans and advances to customers | | | | |
| Net increase in placements with central bank and other financial institutions | | | | |
| Cash paid for claims on original insurance contracts | | | | |
| Cash payment for interest, handling charges and commissions | | | | |
| Cash payment for policyholder dividend | | | | |
| Cash paid to and paid for employees | 187,953,155.10 | 71,907,492.96 | 159,813,194.26 | 79,209,612.55 |
| Taxes and auxiliary charges paid | 99,057,097.76 | 38,083,067.45 | 93,104,298.37 | 60,490,454.76 |
| Cash paid relating to other operating activities | 178,050,821.66 | 45,064,427.35 | 165,039,427.24 | 82,497,642.01 |
| Sub-total of cash outflow from operating activities | 2,119,777,262.84 | 618,062,687.37 | 1,957,471,945.87 | 812,020,415.68 |
| Net cash flows from operating activities | 174,114,795.41 | 132,164,297.34 | 4,300,674.48 | -98,628,327.86 |

II. Cash flows from investing activities:

| | | | | |
|---|----------------|---------------|----------------|----------------|
| Cash received from disposal of investments | | | | |
| Cash received from returns on investments | 5,380,156.53 | 260,819.70 | 150,588,926.67 | 198,509,051.67 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 8,802,935.51 | 2,770,669.00 | 181,500.00 | 123,500.00 |
| Net cash received from disposal of subsidiaries and other operating entities | | | 100,426,391.90 | 265,411,073.33 |
| Cash received relating to other investing activities | | | | |
| Sub-total of cash inflow from investing activities | 14,183,092.04 | 3,031,488.70 | 251,196,818.57 | 464,043,625.00 |
| Cash paid for acquiring fixed assets, intangible assets and other long-term assets | 328,413,176.98 | 59,653,771.41 | 463,266,581.85 | 56,869,929.92 |
| Cash paid for investment | | 23,000,000.00 | 23,091,305.80 | 89,772.80 |

| | | | | |
|--|-----------------|----------------|-----------------|----------------|
| Net increase in pledged loans | | | | |
| Net cash paid for acquisition of subsidiaries and other operating entities | | | | |
| Cash paid relating to other investing activities | | | | |
| Sub-total of cash outflow from investing activities | 328,413,176.98 | 82,653,771.41 | 486,357,887.65 | 56,959,702.72 |
| Net cash flows from investing activities | -314,230,084.94 | -79,622,282.71 | -235,161,069.08 | 407,083,922.28 |

III. Cash flows from financing activities:

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Cash received from investments | 7,200,000.00 | | 14,405,155.00 | |
| Including: Cash received by subsidiaries from minority shareholders' investment | 7,200,000.00 | | 14,405,155.00 | |
| Cash received from borrowings | 2,644,500,000.00 | 1,820,000,000.00 | 1,521,600,000.00 | 699,000,000.00 |
| Cash received from issue of debentures | | | | |
| Cash received relating to other financing activities | | | | |
| Sub-total of cash inflow from financing activities | 2,651,700,000.00 | 1,820,000,000.00 | 1,536,005,155.00 | 699,000,000.00 |
| Cash paid for repayments of liabilities | 2,259,080,000.00 | 1,669,000,000.00 | 1,416,250,000.00 | 977,000,000.00 |
| Cash paid for dividend, profit distribution or interest repayment | 108,276,719.49 | 71,651,969.24 | 113,108,015.48 | 63,901,825.79 |
| Including: Dividend or profit paid by subsidiary to minority shareholders | 12,565,360.02 | | 7,413,032.83 | |
| Cash paid relating to other financing activities | | 129,339,562.01 | | |
| Sub-total of cash outflow from financing activities | 2,367,356,719.49 | 1,869,991,531.25 | 1,529,358,015.48 | 1,040,901,825.79 |
| Net cash flows from financing activities | 284,343,280.51 | -49,991,531.25 | 6,647,139.52 | -341,901,825.79 |

| | | | | |
|---|----------------|---------------|-----------------|----------------|
| IV. Effect of foreign exchange rates under changes on cash and cash equivalents | -34,272.48 | | -974.49 | |
| V. Net increase in cash and cash equivalents | 144,193,718.50 | 2,550,483.38 | -224,214,229.57 | -33,446,231.37 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 460,402,433.46 | 47,734,134.03 | 553,810,451.17 | 117,028,571.38 |
| VI. Balance of cash and cash equivalents at the end of the period | 604,596,151.96 | 50,284,617.41 | 329,596,221.60 | 83,582,340.01 |

Legal Representative
of the Company:
Wang Bing

Chief Accountant:
Yang Yanjun

Head of the
Accounting Department:
Dong Hui

4.5 Auditor's Report

Auditor's opinion: unaudited

By Order of the Board
Beijing New Building Material Company Limited
Wang Bing
Chairman

26 October 2009

As at the date of this announcement, the executive directors of CNBM are Mr. Song Zhiping, Mr. Cao Jianglin, Mr. Li Yimin, Mr. Peng Shou and Mr. Cui Xingtai, the non-executive directors are Ms. Cui Lijun, Mr. Huang Anzhong and Mr. Zuo Fenggao, and the independent non-executive directors are Mr. Zhang Renwei, Mr. Zhou Daojiong, Mr. Chi Haibin, Mr. Li Decheng and Mr. Lau Ko Yuen, Tom.

* *For identification only*